GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1452
ANSWERED ON:09.12.2004
PLAN TO INVEST ON OIL FIELDS ABROAD
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India plans to spend over $ one billion a year to acquire oil fields abroad;

(b) if so, the details thereof and the number of countries with whom negotiations are going on at present for oil fields;

(c) whether India is facing stiff competition from China in this regard;

(d) if so, the details thereof; and

(e) the steps taken or being taken by the Government to acquire oil fields in foreign countries and detailed strategy chalked out in this regard?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b) : To enhance the country's energy security in keeping with the objectives of the Energy Security section of the National Common Minimum Programme, ONGC Videsh Ltd. (OVL), as well as other national oil companies such as IOC, OIL and GAIL, have been pursuing the acquisition of equity oil abroad, as well as the acquisition abroad of oil and gas exploration acreages and producing properties. These companies have Participating Interests in oil and gas projects located in Vietnam, Sudan, Russia, Iraq, Iran, Myanmar, Libya, Syria, Australia and Ivory Coast. So far these oil companies have made an investment of around US $ 2,500 million in oil and gas projects abroad.

OVL in association with other oil sector PSUs, is aggressively scouting for E&P opportunities in other countries such as Kazakhstan, Kuwait, Yemen, Qatar, Angola, Cuba, Sierra Leone, Bangladesh and Eucador in addition to efforts to acquire more E&P assets in the existing countries under operation of OVL. An outlay of Rs. 13,550 crore has been approved in the Tenth Five Year Plan for OVL's E&P activities abroad.

(c) & (d) : The international oil and gas acquisition arena is very competitive where oil companies from oil and gas deficit nations like China and also from developed countries pose tough competition to OVL.

(e) : For extending guidance and advice to Indian oil companies in their efforts to acquire equity oil abroad, Government have constituted an Advisory Committee on Oil Diplomacy for Energy Security comprising experts with specialized knowledge of the country and regions with whom the oil companies are expected to interact.